

OGC HAS REVIEWED.

**SECRET**

Chief, Procurement and Contract Section

1 November 1949

Office of General Counsel

Supplement No. 1, Contract

STATINTL

1. We believe the phrase "also 25 additional containers, condition as is" together with the disparity in the basic contract price, and the proportionate increase, presents a certain confusion and grounds for question of the terms of the supplementary agreement. We believe it would probably be preferable to increase the contractual amount to 125 units at the basic contract cost, and provide for any necessary reduction under the Price Revision Article.

2. The initial cost of the contract is \$9,860 for 100 finished units. To increase this by 25 units at an additional cost of only \$75 appears incongruous. It is assumed that the additional units were subjected to test after acceptance, and that, to that extent, the units were satisfactory under Articles 4 and 5 regarding Inspection and Guaranty.

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cc: Subject ✓  
Chrono

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